

Responses to questions received regarding the Pre-Qualification of Banking Institution to participate in Competitive Bidding for Certificates of Deposit (CDs).

1. May a bank that is not a member of the Federal Wire System, but has a correspondent bank that is, still apply?

Yes, any banking institution that has a correspondent bank that is a member of the Federal Wiring System may apply. The bidding bank must absorb any incremental wiring or other cost. The office of the State Treasurer will provide fed wire instructions to both banking institutions once pre-qualified.

2. Will all CDs be paid at maturity, including CDs with a term over one year?

Yes, CDs will be paid at maturity. For CDs of over a year, interest would typically also be paid at maturity; however, pre-arranged interest payments made prior to maturity will also be acceptable.

3. Will the banking institution's ceiling be assigned after pre-qualification is determined?

Yes, the banking institution's ceiling will be established after the Office of the State Treasurer concludes its review of the RFP.

4. Will the banks be notified of the minimum acceptable rate prior to bidding?

Yes.

5. What if the information for Section III: Request for four references of comparable public sector entities with which your branch does business, cannot be provided, since the names of customers are not given without proper authorizations?

This information is required. Please obtain whatever authorizations you require prior to sharing this information with the State of Vermont.

6. How does the collateralization process work with instrumentalities?

Collateral, where required, will be delivered to a third-party designated by the Office of the State Treasurer. The Office of the State Treasurer will consider which forms of collateral are acceptable on a case-by-case basis.